

LONG TERM ECONOMIC FORECAST

Imperial County

CURRENT SETTING

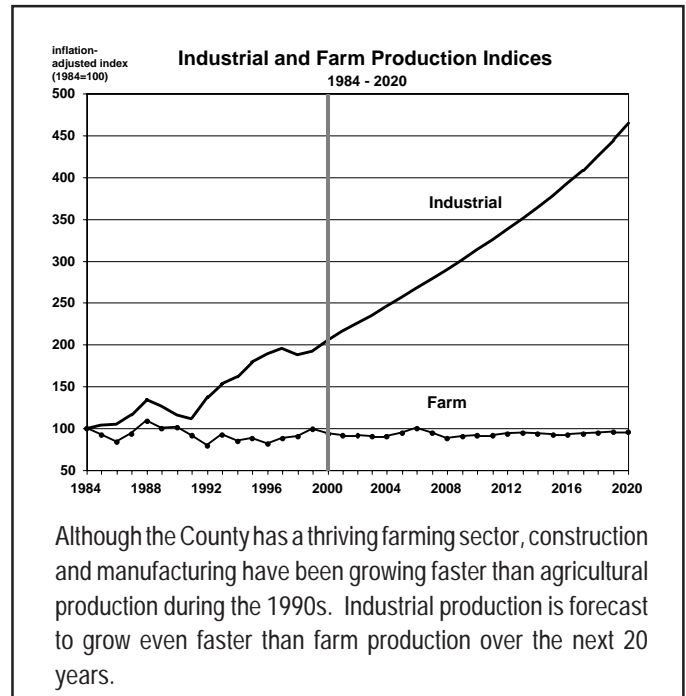
The economy of Imperial County has been participating in the California economic expansion since 1995, but to a much lesser extent than other counties in the state. Net migration slowed into the region, job creation was modest, and real incomes per capita were flat. Conditions improved in 1999 with job creation expanding to 3,800 workers, retail sales soaring 13 percent, and inflation-adjusted per capita income rising 1.9 percent.

The population of Imperial County is currently at 149,300 persons. The rate of growth has subsided recently, averaging just 1.3 percent per year since 1995. Most of the gain in population has occurred in the city of Calexico, now with a total resident base of 26,800 persons. El Centro is still the largest city with 38,250 people.

The principal industries in the County are farming and retail trade. In 1999, nearly 30 percent of the total 53,500 wage and salary jobs were in agricultural production or services. Local public sector jobs constituted 28 percent of all jobs in the County, and retail employment represented 18 percent of the job base.

FORECAST SUMMARY

- Total wage and salary employment is forecast to grow at an average rate of 2.2 percent per year. Non-durable manufacturing jobs are expected to more than double, from an estimated 1,000 jobs in 1999 to 2,166 in 2020. Durable manufacturing jobs are forecast to remain relatively constant at 900 to 1,000 jobs during this period.
- Housing starts are forecast to grow at an average annual rate of 4.7 percent between 2000 and 2020. An average of 600 new residential units are expected to be added to the county's housing stock each year. Nevertheless, forecast population growth is expected to increase the average size of households from 3.74 in 1999 to 4.64 in 2020.
- Net migration is expected to be positive in every year of the forecast, averaging 1,725 more in-migrants than out-migrants. The rate of net migration is expected to increase during last 10 years of the forecast, averaging 2,800 persons per year.



- Real per capita personal income is forecast to increase at an average annual rate of 0.6 percent, from \$16,375 in 1999 to \$18,600 (1999 dollars) in 2020. This rate of growth is much slower than the anticipated 1.9 percent growth rate in this indicator for California as a whole.

EMPLOYMENT

The growth of total wage and salary jobs will average 2.3 percent per year between 2001 and 2020. Farm sector employment is forecast to grow an average of 0.9 percent per year for the first 10 years of the forecast, and 1.4 percent per year over the last 10 years of the forecast.

Mining and construction employment are expected to increase 1.3 percent per year between 2001 and 2010, and just less than one percent per year during the last 10 years of the forecast.

Manufacturing employment jumped nearly 12 percent in Imperial County in 1999, and 9 percent in 2000. Those rates of growth are expected to cool, especially after 2001. Between 2001 and 2010, manufacturing jobs are forecast to rise at a rate of 2.3 percent per year.

Employment in services is forecast to increase at average annual rates of 1.8 percent from between 2001 and 2010 and 2.9 percent between 2011 and 2020. The aging of the Imperial County population will require more workers to provide personal, healthcare, and housekeeping services.

Public sector jobs are expected to dominate employment growth over the next 20 years. The 5 to 17 year old population is forecast to increase 94 percent between 2000 and 2020. Consequently, public sector (education) employment is expected to increase 4.3 percent per year between 2001 and 2010, and 3.0 percent per year between 2010 and 2020.

INCOME

Personal income grew 5.9 percent in 1999, and inflation adjusted (real) per capita income rose 1.9 percent. Total personal income is forecast to rise an average 5.5 percent per year between 2001 and 2020.

Real per capita income is forecast to rise just 0.4 percent per year between 2001 and 2010, improving to 1.0 percent growth per year from 2011 to 2020.

The forecast shows that average salaries per worker and average per capita income will lag behind the state of California in growth. The industry mix in Imperial County does not favor the higher paying industries in the state. The farming sector and the public sector will dominate job growth

ECONOMIC FORECAST: DEMOGRAPHICS, INCOME, SALES

year	Popula- tion	Net Migra- tion	Regis- tered Vehicles	House- holds	New Housing Units	Retail Sales	Personal Income	Real Per Capita Income	Farm Crop Sales	Indus- trial Output
	people	people	thousands of veh.	thousands of homes	homes	billions of \$	billions of \$	1999 \$ per person	millions of \$	billions of 1999 \$
1995	137,445	1,951	115.3	37.3	497	\$659	\$2.0	\$15,957	\$1,009	\$418
1996	141,229	2,053	117.9	37.8	331	\$664	\$2.0	\$15,206	\$945	\$442
1997	142,674	-123	106.7	38.2	327	\$695	\$2.1	\$15,353	\$1,040	\$455
1998	146,409	-876	108.8	38.6	394	\$757	\$2.3	\$16,065	\$1,083	\$437
1999	150,381	466	104.6	38.9	333	\$856	\$2.4	\$16,375	\$1,215	\$447
2000	154,549	1,689	104.3	39.3	587	\$876	\$2.5	\$16,167	\$1,167	\$478
2001	161,177	1,553	105.4	39.9	499	\$910	\$2.6	\$16,404	\$1,176	\$504
2002	167,840	1,551	107.1	40.4	552	\$955	\$2.8	\$16,541	\$1,197	\$527
2003	174,635	1,562	109.3	41.0	582	\$1,007	\$3.0	\$16,672	\$1,220	\$548
2004	181,209	1,516	111.6	41.5	522	\$1,070	\$3.1	\$16,719	\$1,265	\$573
2005	187,281	1,406	114.0	42.0	545	\$1,123	\$3.3	\$16,612	\$1,361	\$599
2006	193,581	1,481	116.6	42.6	583	\$1,168	\$3.4	\$16,504	\$1,472	\$624
2007	200,407	1,507	119.7	43.2	594	\$1,232	\$3.7	\$16,809	\$1,430	\$649
2008	207,311	1,469	123.1	43.8	593	\$1,313	\$3.9	\$17,064	\$1,368	\$675
2009	214,422	1,410	126.1	44.3	603	\$1,371	\$4.1	\$16,886	\$1,441	\$702
2010	221,585	1,359	129.3	44.9	569	\$1,418	\$4.2	\$16,853	\$1,481	\$729
2011	228,194	1,409	132.6	45.5	587	\$1,469	\$4.4	\$16,896	\$1,528	\$757
2012	234,858	1,431	136.2	46.1	591	\$1,527	\$4.6	\$16,990	\$1,590	\$786
2013	241,632	1,511	140.4	46.7	607	\$1,595	\$4.9	\$17,110	\$1,646	\$816
2014	248,471	1,583	145.2	47.3	633	\$1,675	\$5.1	\$17,320	\$1,656	\$847
2015	256,228	1,710	150.6	47.9	704	\$1,763	\$5.4	\$17,521	\$1,674	\$880
2016	264,388	1,968	156.7	48.6	667	\$1,855	\$5.7	\$17,713	\$1,704	\$914
2017	272,746	2,220	163.2	49.2	637	\$1,951	\$6.1	\$17,897	\$1,751	\$950
2018	281,278	2,455	169.3	49.9	631	\$2,055	\$6.4	\$18,059	\$1,825	\$990
2019	289,919	2,632	175.1	50.5	662	\$2,169	\$6.8	\$18,325	\$1,883	\$1,034
2020	298,700	2,797	180.3	51.2	698	\$2,297	\$7.3	\$18,600	\$1,930	\$1,080

Note: Historical data is shown for the years 1990 to 1999; forecasts begin in the year 2000

over the forecast period.

Adjusted for inflation, earnings per worker in 1999 averaged \$22,213. Average earnings are expected to increase an average 1.0 percent per year between 2000 and 2010, increasing to 1.7 percent per year between 2010 and 2020.

HOUSING AND DEMOGRAPHICS

Net migration is expected to accelerate in Imperial County over the next 20 years. Consequently, population growth will rise and more housing will be built. Between 1995 and 1999, annual net migration was unsteady, ranging from 2,053 in 1996 to -876 in 1998. The forecast calls for an average 1,500 in-migrants per year over the 2000-

2010 period, and 1,975 in-migrants per year between 2010 and 2020.

Housing is both available and affordable in Imperial County. With expected increases in both net migration and the natural population increase, many more residential units will be built.

ECONOMIC FORECAST: EMPLOYMENT

Total Wage & Salary	Farm	Construction and Mining	Manu- fac- toring	Trans. & Public Utilities	Trade	Finance, Insurance, Real Estate	Total Services	Gov- ern- ment
----- thousands of jobs -----								
48.5	14.5	1.5	1.8	1.9	9.2	1.2	5.1	13.3
47.9	13.8	1.5	1.7	2.1	9.0	1.1	5.2	13.5
48.8	13.9	1.3	1.8	2.1	9.2	1.1	5.4	14.0
49.7	14.3	1.3	1.7	2.0	9.4	1.1	5.5	14.4
53.5	15.9	1.3	1.9	1.9	9.6	1.1	6.9	14.9
54.1	16.1	1.5	2.1	2.0	9.8	1.1	7.5	15.6
55.6	16.1	1.9	2.2	2.0	9.9	1.1	7.9	16.3
56.7	16.3	1.9	2.2	2.1	10.1	1.1	7.9	17.0
57.7	16.4	1.6	2.2	2.2	10.2	1.1	7.6	17.8
58.9	16.4	1.5	2.3	2.3	10.4	1.1	7.7	18.7
59.9	16.1	1.5	2.3	2.3	10.5	1.1	7.9	19.5
60.8	15.6	1.6	2.4	2.4	10.6	1.2	8.1	20.4
62.8	16.3	1.6	2.4	2.5	10.8	1.2	8.3	21.3
65.2	17.3	1.6	2.5	2.6	11.0	1.2	8.5	22.2
66.5	17.3	1.6	2.5	2.6	11.1	1.2	8.7	23.0
67.9	17.6	1.6	2.6	2.7	11.2	1.2	8.9	23.8
69.3	17.8	1.6	2.7	2.8	11.3	1.2	9.1	24.6
70.6	17.9	1.6	2.7	2.8	11.4	1.2	9.3	25.3
71.9	18.0	1.6	2.8	2.9	11.5	1.2	9.5	26.0
73.6	18.5	1.7	2.8	3.0	11.7	1.2	9.7	26.8
75.5	18.9	1.7	2.9	3.0	11.9	1.2	10.0	27.6
77.3	19.3	1.7	2.9	3.1	12.1	1.2	10.3	28.5
79.1	19.5	1.7	3.0	3.2	12.3	1.2	10.6	29.3
80.8	19.6	1.7	3.0	3.3	12.5	1.2	10.9	30.2
82.7	19.8	1.7	3.1	3.4	12.7	1.2	11.4	31.1
84.9	20.2	1.7	3.2	3.5	12.9	1.3	11.9	32.0

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